

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

A CONTRACT FILING BY MOUNTAIN)
WATER DISTRICT TO SERVE SOUTH) CASE NO. 97-470
WILLIAMSON APPALACHIAN HOSPITAL)

O R D E R

On October 28, 1997, Mountain Water District ("Mountain") filed a proposed contract with the Commission to provide service to South Williamson Appalachian Hospital ("Hospital"). Mountain proposed to serve the Hospital at a rate of \$2.41 per 1,000 gallons. No cost justification was provided to support the proposed rate.

The Commission finds that, pursuant to KRS 278.190, further proceedings are necessary in order to determine the reasonableness of the proposed contract.

IT IS THEREFORE ORDERED that:

1. The proposed contract filing of Mountain is suspended for five months from November 27, 1997 up to and including April 26, 1998.
2. Nothing contained herein shall prevent the Commission from entering a final decision in this case prior to the termination of the suspension period.
3. Mountain shall file with the Commission no later than 20 days from the date of this Order the original and 8 copies of the information listed in the Appendix to this Order. Each copy of the data requested should be placed in a bound volume with each item tabbed.

Done at Frankfort, Kentucky, this 25th day of November, 1997.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:


Executive Director

APPENDIX

AN APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 97-470 DATED NOVEMBER 25, 1997

1. Provide all calculations showing how the proposed rate of \$2.41 per 1,000 was determined.
2. How many gallons per month does Mountain anticipate selling to the Hospital?
3. Does Mountain have any current customers who purchase the same amount or more water than the Hospital will purchase per month?
4. Describe the facilities needed to connect to the Hospital and the estimated cost of constructing the facilities.
5. How many inch miles of Mountain's system will be used to serve the Hospital?
6. Provide justification for selling water to the Hospital at a lower rate than to other large users served by Mountain.
7. Does Mountain's supplier have the capacity for Mountain to provide service to the Hospital?